



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

502/0009  
2715

November 12, 2008

Jerry Glazier  
JG Resources LLC  
155 W. 100 S.  
Hurricane, Utah 84737

Subject: Amended Permit to Commence Small Mining Activities, JG Resources LLC. Etna Mine, S/021/0009, Iron County, Utah

Dear Mr. Glazier:

The Division finds your amended notice of intention (Notice) complete and approves the reclamation surety for the Etna mine. You are now permitted to conduct small mining operations on 5 acres as outlined in the Notice provided you have written approval from the School and Institutional Trust Lands Administration. An approved NOI must also be filed with SITLA in addition to the lease.

Please keep in mind the following regulatory requirements.

- The Division must be notified no later than 30 days after beginning mining operations.
- Mining disturbance is only allowed in the area identified in the Notice and Reclamation Contract.
- Stockpiling topsoil material prior to beginning activities will help ensure successful revegetation. Even the first few inches of undeveloped material are worth saving to aid in later revegetation efforts, and future regulatory surety release.
- If you encounter any archaeological or historical items, you are asked to notify this office and State History of your find.
- Permit fees are due July 30.
- Annual reports are due by December 31st.
- The reclamation surety will be reviewed every 3 years.
- The Division request that the disturbed area boundary (including assess/haul roads) be marked with metal T-posts to identify the area permitted for mining.

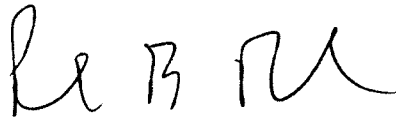


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Page 2  
JG Resources LLC  
S/021/0009  
November 12, 2008

The Division's web page at <http://ogm.utah.gov/> under the Mining Program has a link to the rules you are expected to operate under and other information to assist you in complying with program requirements. Thank you for your cooperation. In reply, please refer to file number S0210009. If you have questions or concerns regarding this letter, please contact me at (801) 538-5261 or Tom Munson at 801 538-5321. Best wishes with your mining venture.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Baker'.

Paul Baker  
Minerals Mining Manager

PB:tm:vs  
Task ID#2715  
Attachment: Approved SMO Notice  
Enclosure: Copy of RC & surety forms  
cc: Sitla w/enclosure  
DAVID L. GLAZIER, ESQ., KIRTON & MCCONKIE, PC, PINEHURST BUSINESS PARK, 518 WEST 800 NORTH, SUITE 204,  
OREM, UT 84057 w/enclosure

P:\GROUPS\MINERALS\WPM021-Iron\S0210009-EtnaMine\Final\apvl-SMO-NOI&surety11102008.doc

Assigned DOGM File No.: S

DOGM Lead: \_\_\_\_\_

Permit Fee \$ \_\_\_\_\_ Ck # \_\_\_\_\_

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION OF OIL, GAS AND MINING**  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291 Fax: (801) 359-3940

**NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS**

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" mining operations which have a disturbed area of five or less surface acres at any time.  
\*\*\*\*\*

**I. GENERAL INFORMATION** (Rule R647-3-104)

1. Name of Mine: **ETNA**
2. Legal name of entity (or individual) for whom the permit is being requested: JG Resources LLC, acting as operator for lessee.  
Mailing Address: 155 W. 100 S.  
City, State, Zip: Hurricane, Utah 84737  
Phone: Fax: 435-635-2572  
E-mail Address: [jerryglazier@gmail.com](mailto:jerryglazier@gmail.com)

Type of Business:

Corporation ☐ LLC ☒ Sole Proprietorship ☐ Partnership ☐

Or:

Individual

**Entity must be registered (and maintain registration) with the State of Utah, Division of Corporations (DOC) [www.commerce.utah.gov](http://www.commerce.utah.gov).**

Are you currently registered to do business in the State of Utah?

Yes ☒ No ☐

Entity # 612331-0160 (JG Resources LLC)

If no, contact [www.commerce.utah.gov](http://www.commerce.utah.gov) to renew or apply.

Local Business License # \_\_\_\_\_ (if required)

Issued by: County \_\_\_\_\_ or City: \_\_\_\_\_

DIV. OIL GAS & MINING

Hurricane or Iron County, will be applied for

**APPROVED**

**NOV 10 2008**

**3. Contact Person(s)**

Name:

Jerry Glazier

Title:

CEO

Address:

155 W. 100 S.

City, State, Zip:

Hurricane, Utah 84737

Phone:

435-635-2572

**RECEIVED**

**OCT 27 2008**

DIV. OF OIL, GAS & MINING

Emergency,  
Weekend, or  
Holiday:  
E-Mail Address:

Phone: 435-669-8704

jerryglazier@gmail.com

**Contact Person to be notified for: permitting (X) surety (X) Notices (X) (please check all that apply)**

Registered Utah Agent (as identified with the Utah Department of Commerce) (if individual leave blank):

Name: Jerry Glazier

Address: 155 W. 100 S.

City, State, Zip: Hurricane, Utah 84737

Phone: 435-635-2572 Fax:

E-mail Address: jerryglazier@gmail.com

**4. If Business is a Sole Proprietor:**

Name of owner: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

**If Business is a Corporation:**

Name of Officers: \_\_\_\_\_ Title: \_\_\_\_\_

\_\_\_\_\_ Title: \_\_\_\_\_

\_\_\_\_\_ Title: \_\_\_\_\_

\_\_\_\_\_ Title: \_\_\_\_\_

Headquarters Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Headquarters Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

**If Business is a Limited Liability Company: Member Managed or Manager Managed or**  
**Name of Manager and Title:**

Jerry Glazier	Title:	CEO
Business Address:	155 W. 100 S.	
City, State, Zip:	Hurricane, Utah 84737	
Phone: Fax:	435-635-2572	
E-mail Address:	jerryglazier@gmail.com	

Name of 2<sup>nd</sup> Member/Manager: \_\_\_\_\_

Business Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

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**If Business is a Partnership:**

**DIV. OIL GAS & MIN**

Name of Partner: \_\_\_\_\_

Business Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Emergency, Weekend, or Holiday Phone: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Name of Owner: Title: Business Address: City, State, Zip: Name: Title:

Address:

City, State, Zip: Phone: Fax:

**5. Ownership of Land Surface**

Private (Fee) ☐ Public Domain (BLM) ☐ National Forest (USFS) ☐

State Trust Land/School Sections ☐ State Sovereign Lands ☐

Other (please describe): \_\_\_\_\_

Name: State Trust Lands Administration Address: 675 South 500 East, SLC, Utah \_\_\_\_\_

Name: \_\_\_\_\_ Address: \_\_\_\_\_

Name: \_\_\_\_\_ Address: \_\_\_\_\_

**6. Ownership of Minerals:**

Private (Fee) ☐ Public Domain (BLM) ☐ National Forest (USFS) ☐

State Trust Land/School Sections ☐ State Sovereign Lands ☐

Other (please describe): \_\_\_\_\_

Name: State Trust Lands Administration Address: 675 South 500 East, SLC, Utah \_\_\_\_\_

Name: \_\_\_\_\_ Address: \_\_\_\_\_

Name: \_\_\_\_\_ Address: \_\_\_\_\_

Name: \_\_\_\_\_ Address: \_\_\_\_\_

BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s): \_\_\_\_\_

BLM Claim Numbers: \_\_\_\_\_

Utah State Lease Number(s):	ML 48151 (Jerry Glazier)
Including DOGM permit:	# M/021/009
Name of Lessee(s):	Jerry Glazier

**7. Have the above surface and mineral owners been notified in writing?**

☒ Yes

No

Ut. St. Trust Lands Adm. notified simultaneously.

If no, why not? \_\_\_\_\_

Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration prior to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.

**8. Does the Entity have legal right to enter and conduct mining operations on the land covered by this notice?**

☒ Yes

No

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**NOV 10 2008**

**II. PROJECT LOCATION & MAP (Rule R647-3-105)**

**1. Project Location (legal description):**

County(ies):

\_\_\_\_ 1/4, of \_\_\_\_ 1/4, of **SW** 1/4: Section: **36** Township: **33S** Range: **20W**

\_\_\_\_ 1/4, of \_\_\_\_ 1/4, of \_\_\_\_ 1/4: Section: \_\_\_\_ Township: \_\_\_\_ Range: \_\_\_\_

DIV. OIL GAS & MINING

1/4, of 1/4, of 1/4: Section: Township: Range:

UTM East (if known) UTM North (If known)

Name of Quad Map for Location: Deer Lodge Canyon, 7.5 minute quad map

2. **Location and Operations maps** must be plotted at a scale to accurately identify locational landmarks and operations details. All maps must include a north arrow, scale, appropriate labels, and title box including the mine name, township, range and section.
- The **general location map** must be the scale of a USGS 7.5 minute series map or equivalent (1"=2000') and identify new or existing access roads.
  - The **operations map** (1"=200' or other scale as determined necessary by the Division) must be labeled and identify.
    - The area to be disturbed;
    - The location of any existing or proposed operations including access roads, drill holes, trenches, pits, shafts, cuts, or other planned activities; and
    - Any adjacent previous disturbance for which the operator is not responsible.

(Contact the Division for a list of consultants and land surveyors for mapping assistance.)

3. The proposed (5 acre or less) disturbed area (including access/haul roads) should be marked in the field **ON THE GROUND** with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

## II. OPERATION PLAN (Rule R647-3-106)

- Type of mining:** Surface Underground
- Minerals to be mined:** Silver, Gold, Copper, Molybdenum and other base and noble metals.
- Amount to materials** to be extracted or proposed to be moved. Up to 1 million tons over 5 years.
- Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process?

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	If yes, please describe (add extra pages if needed)
Any dewatering of underground mining operations will be utilized on-site.				

5. Provide a brief **description of the proposed mining operation** and onsite processing facilities (add extra pages if necessary).
- Conventional underground mining, using load haul dump methods. We will complete the initial haulage tunnel decline, which will allow us access to the 200' level of the existing Etna shaft. Stockpiling of mined ore and waste will take place on-site, as shown on map.

6. New Road(s): Length 775 (ft) Width 30 (ft) See attached maps; located only within the **NOV 10 2008** **NOV OIL GAS**
7. Improved Road(s): Provide a description of the improvements that need to be made to existing roads to access the site, including the length 500 (ft) Width 30 (ft) of improvements; **NOV OIL GAS**
8. Total project surface **acreage to be disturbed:** 5.00 acres. PLEASE SPECIFY EXACT ACREAGE - (this will be used to determine surety bond amount - see #VI).
9. Proposed startup date (month, year) December, 2008.

10. Proposed **completion date**, if known (month, year) Unknown, dependent upon the amount of commercial ores available.

V. **Operation and Reclamation Practices** (Rule R647-3-107, & 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining. Please refer to The Practical Guide to Reclamation in Utah, available at [www.ogm.utah.gov](http://www.ogm.utah.gov).

1. Keep the mining operation in a safe, clean, and environmentally stable condition.
2. Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
3. Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
4. Construct berms, fences, or barriers, when needed, above highwalls and excavations.
5. Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.
6. Remove all waste or debris from stream channels.
7. Dispose of any trash, scrap metal, wood, machinery, and buildings.
8. Conduct mining activities so as to minimize erosion and control sediment.
9. Reclaim all roads that are not part of a permanent transportation system.
10. Stockpile topsoil and suitable overburden prior to mining.
11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
12. Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.
13. Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)
14. Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.

V. **VARIANCE REQUEST** (Rule R647-3-110)

**Any variance request must be approved in writing by the Division**

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above (see IV. Operation and Reclamation Practices Item # 1-14), should be identified below listing applicable rule number. Give justification for the variance(s) and alternate methods or measure to be utilized. Written approval from the Division will be given, if the proposed alternative methods to be used are consistent with the Act.

**Are variances being requested?**

Yes ☐ No ☒

Applicable rule # (i.e. R 647 - 3 -109.10) (If you did not want trenches reclaimed).

1<sup>st</sup> Variance Requested

Item # \_\_\_\_\_ Applicable Rule # (i.e. R647-3-109.10 (if you did not want trenches & pits reclaimed)

Justification: \_\_\_\_\_

Alternate methods or measure to be utilized: \_\_\_\_\_

2<sup>nd</sup> Variance Requested

Item # \_\_\_\_\_ Applicable Rule # (i.e. R647-3-109.10 (if you did not want trenches & pits reclaimed)

Justification: \_\_\_\_\_

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Alternate methods or measure to be utilized: \_\_\_\_\_

3<sup>rd</sup> Variance Requested

Item # \_\_\_\_\_ Applicable Rule # (i.e. R647-3-109.10 (if you did not want trenches & pits reclaimed

Justification: \_\_\_\_\_

Alternate methods or measure to be utilized: \_\_\_\_\_

VI. SURETY (Utah Code Ann. §40-8-7(1)[c])

**A reclamation contract and surety must be provided to and approved by the Division prior to commencement of operations.** All mining operations are required to furnish and maintain reclamation surety to guarantee that the land affected is reclaimed (Utah Code Ann. §40-8-7(1)[c]).

The reclamation surety amount is based on the nature, extent and duration of operations. The amounts are based on data from current large mine surety and are used as a general guide, along with actual site conditions. Reclamation surety for small mines is reviewed every three (3) or five (5) years and adjusted as necessary for inflation/deflation based upon acceptable Costs Index. **Contact the Division for the dollar amount required for a three (3) or five (5) year period for this project.**

I have previously provided cash bond with the DOGM in the amount of \$5,400.00 with respect to this mine site. I have provided or will provide any further needed surety in the form of Surety Bond or Cash.

VII. PERMIT FEE (Utah Code Ann. §40-8-7(1)(i))

A permittee's authorization under a notice of intention to conduct small mining operations shall require the paying of permit fees as authorized by the Utah Legislature (R647-3-102.5). Permit fees are assessed to new and existing small mining operations, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

**Small Mine Notices require a \$150.00 fee, which must accompany this application, or the Division cannot process it.**

The current Permit fee has been paid by the Lessee for July 2008 – June 2009.

VIII. SIGNATURE REQUIREMENT

(Please check the box if applicable and place your initials on the line provided)

<input type="checkbox"/>	I have enclosed the required permit fee.
<input type="checkbox"/>	I have enclosed/requested a Reclamation Contract (Form MR-RC) and the appropriate reclamation surety amount or have made arrangements as to when the surety will be furnished. <b><i>We need to increase the current 1 acre permit to 5 acres.</i></b>
<input checked="" type="checkbox"/>	I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency. Agreed to <del>by</del> by Permittee, <i>g.m.</i>

CERTIFICATION

**APPROVED**  
**NOV 10 2008**  
DIV. OIL GAS & MINING



I state under penalty of perjury under the laws of the state of Utah and the United States of America that:

1. I have read this form and declare the information, statements and/or documentation are true, correct and complete to the best of my knowledge and belief; AND
2. I commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.
3. **This certification must be signed by:** (1.) an executive officer if the applicant is a corporation; (2.) a partner if applicant is a partnership (general or limited); (3.) the owner if applicant is a sole proprietorship; or (4.) the member or manager if applicant is a limited liability company.

Signature: \_\_\_\_\_

*Jerry Glazier* CEO

Date: October 27, 2008

Name (typed or printed): JG Resources LLC, by Jerry Glazier

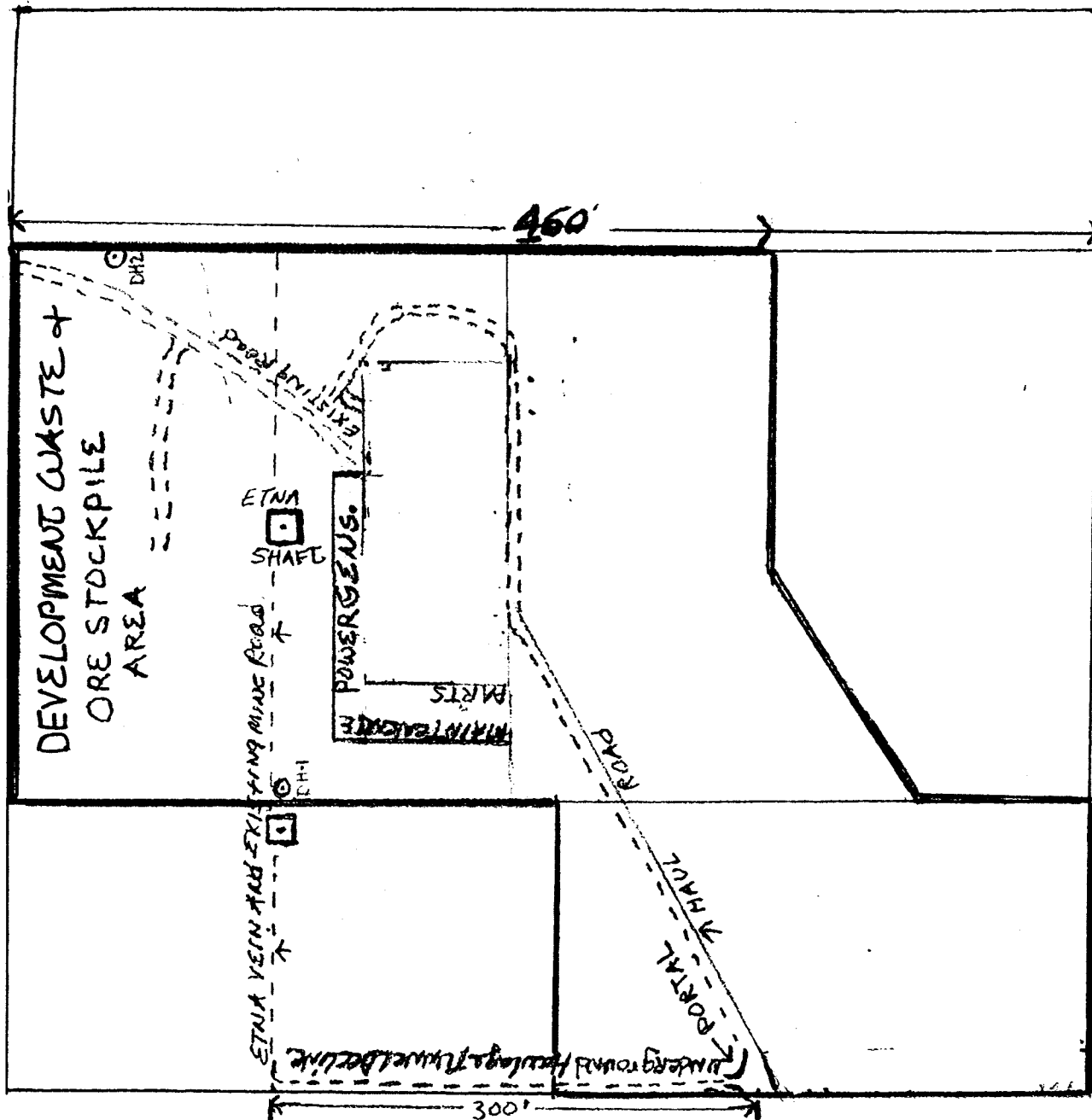
Title/Position (if applicable): CEO

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Form MR-SMO  
03132007

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NOV 10 2008  
DIV. OIL GAS & MINING

OPERATIONS UNIT  
(SACRE USE LOCATION) NORTH

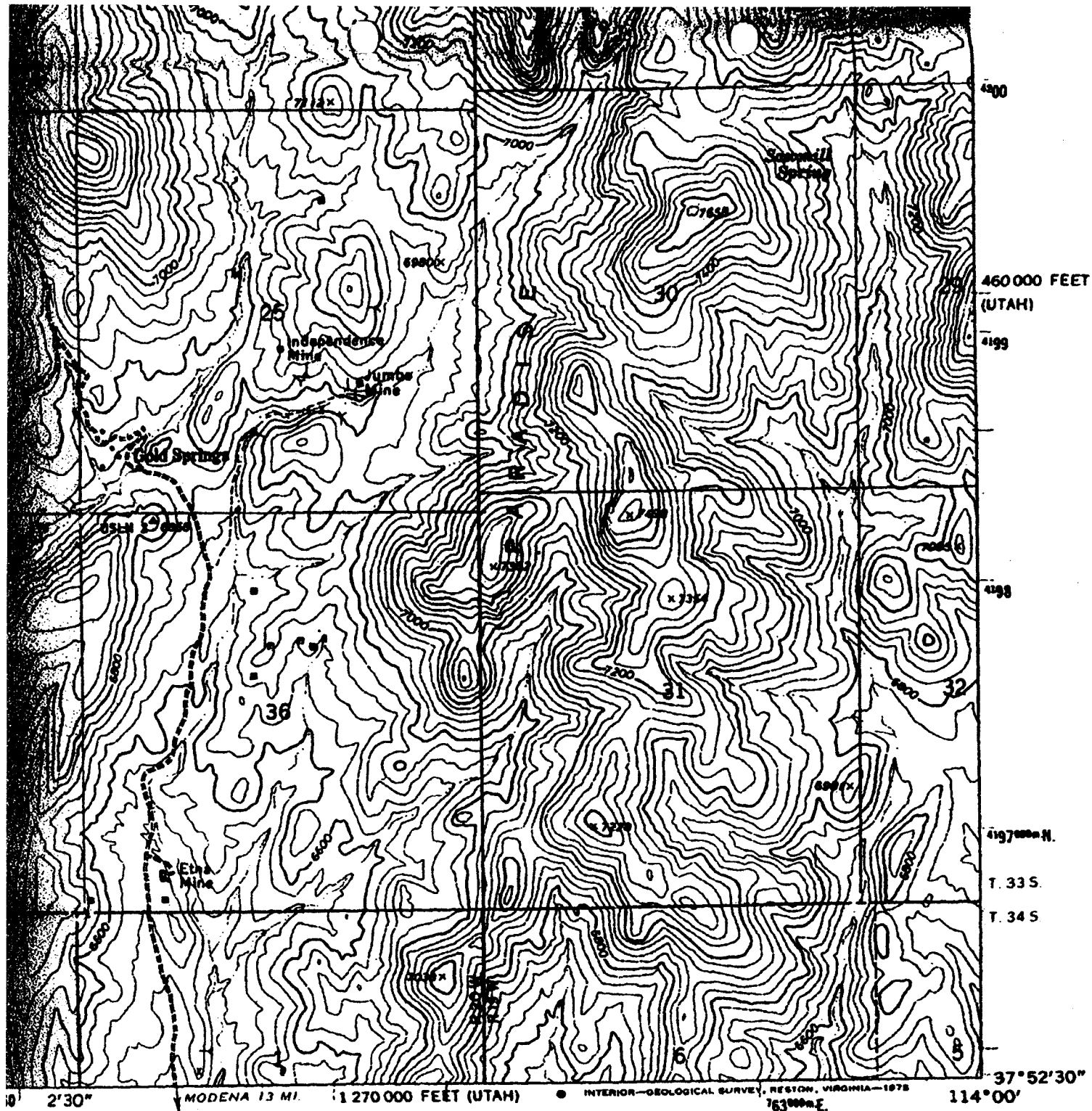


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SCALE 1" = 100'



1 MILE  
3



#### ROAD CLASSIFICATION

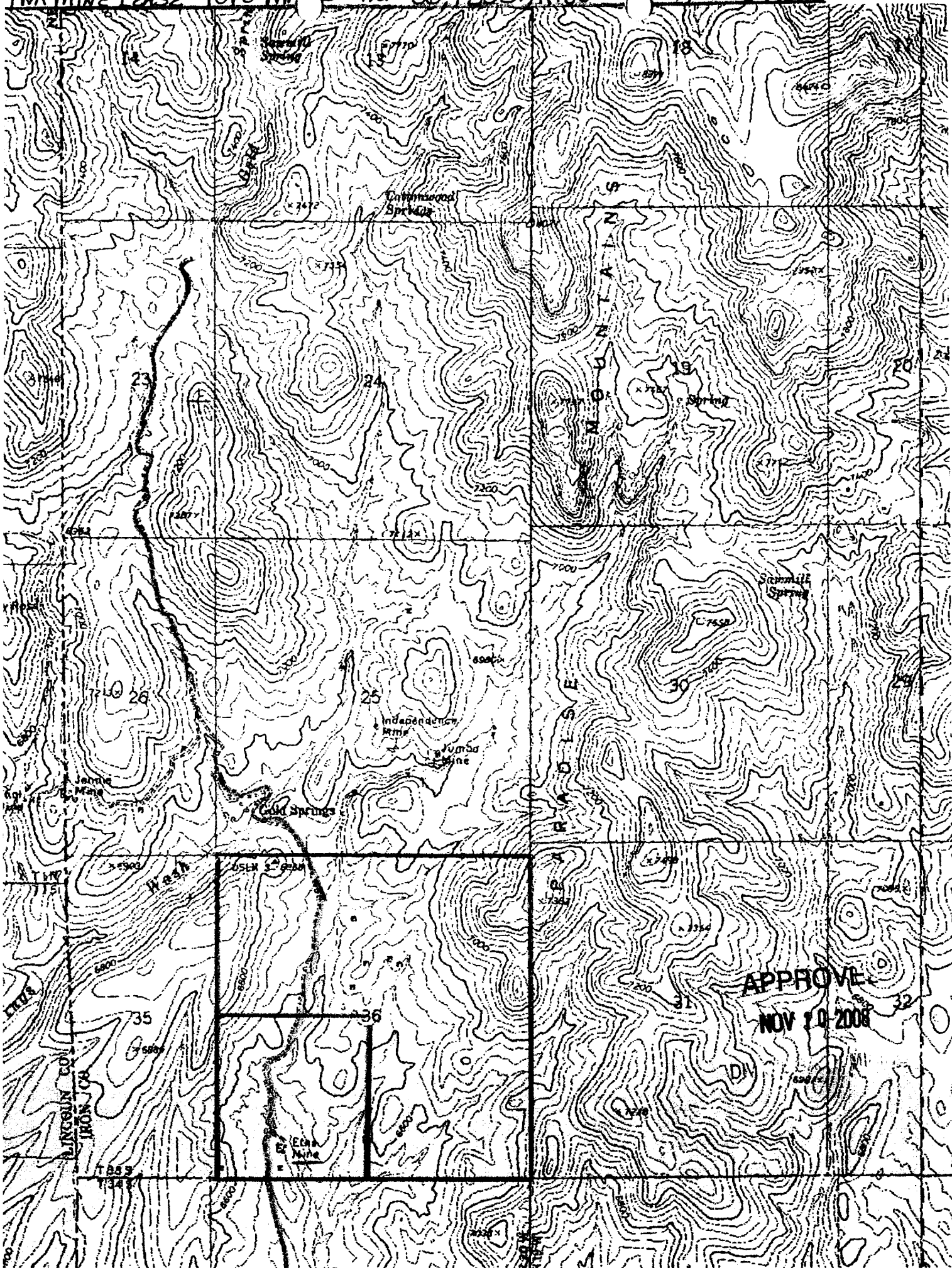
Primary highway, hard surface ——— Light-duty road, hard or improved surface ———  
Secondary highway, hard surface ——— Unimproved road ———

○ Interstate Route    □ U. S. Route    ○ State Route

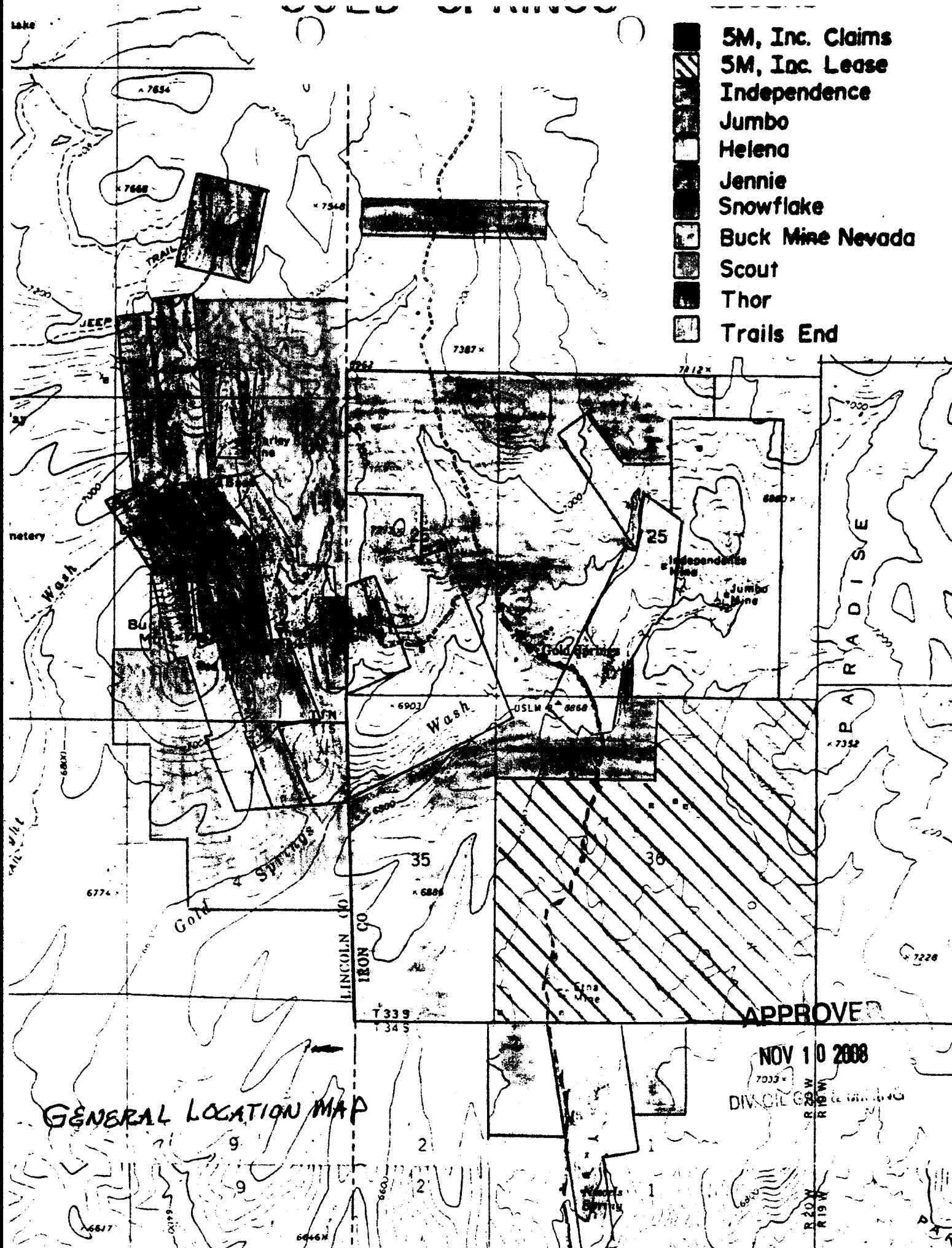
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**NOV 10 2008**  
DIV. OF CAC & SURV

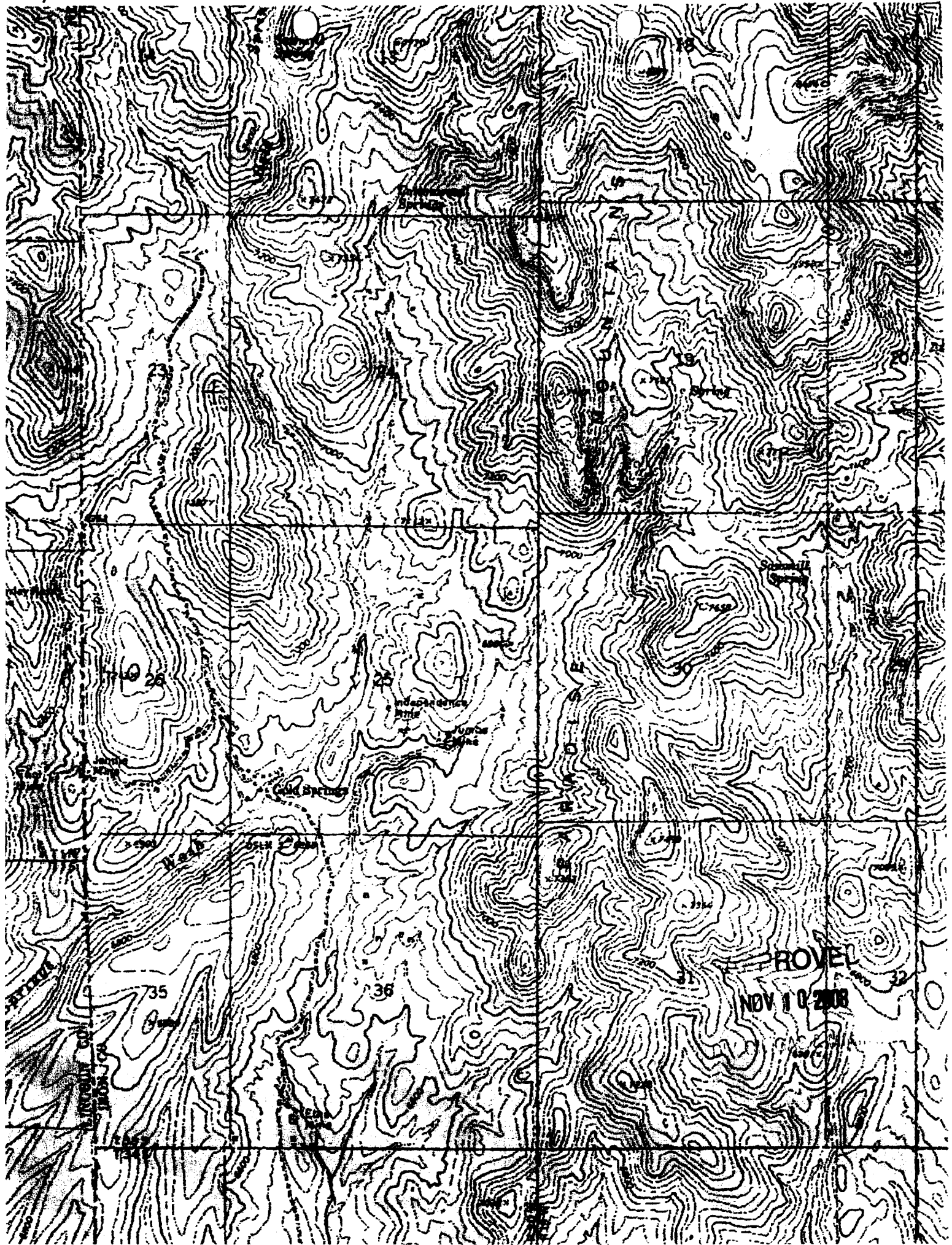
**DEER LODGE CANYON, NEV.-UTAH**  
N3752.5-W11400/7.5

INA MINE LEASE - TOPO MAP SECTION 36, T.33S., R.20W. AND ACCESS ROAD



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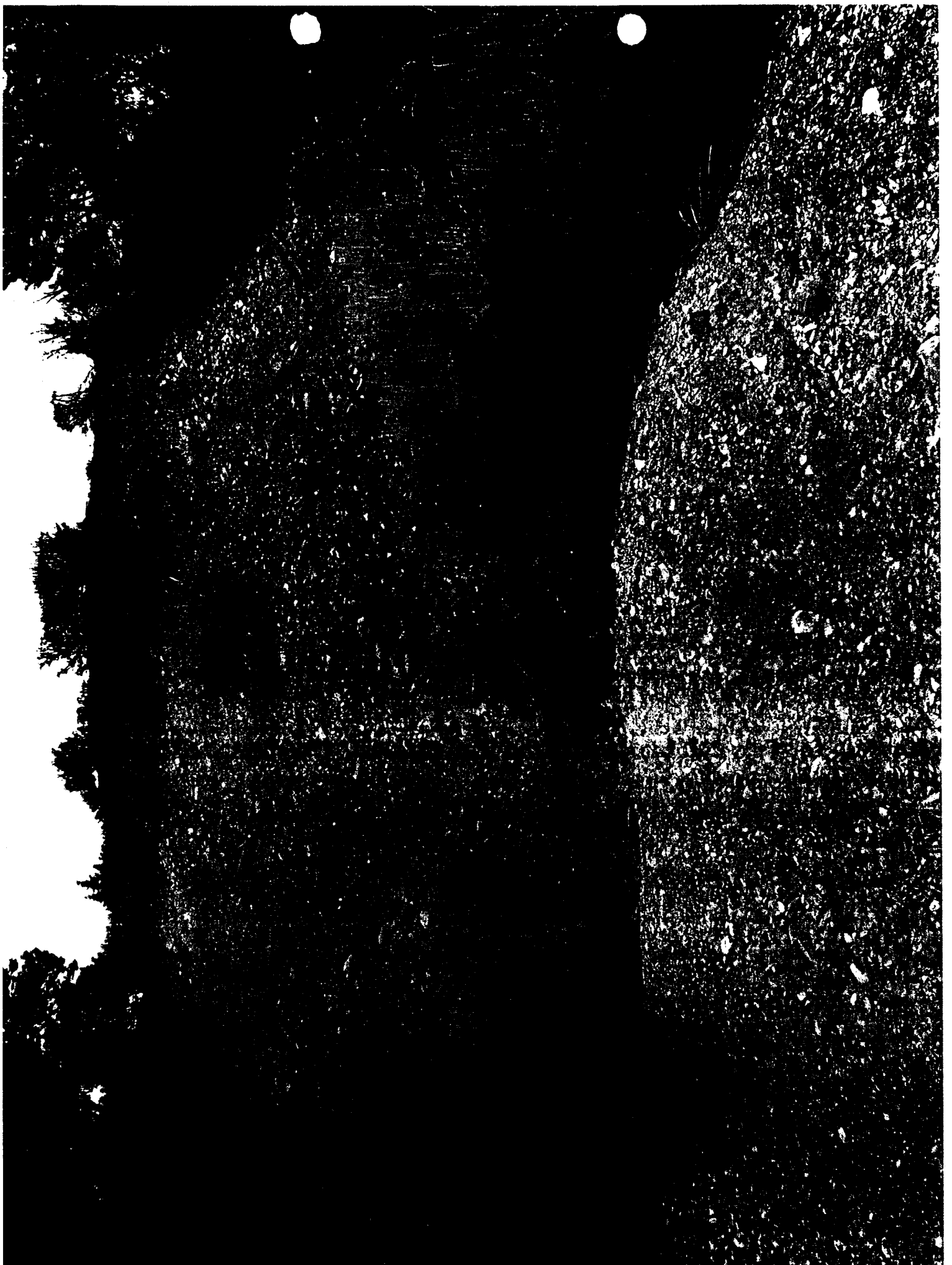
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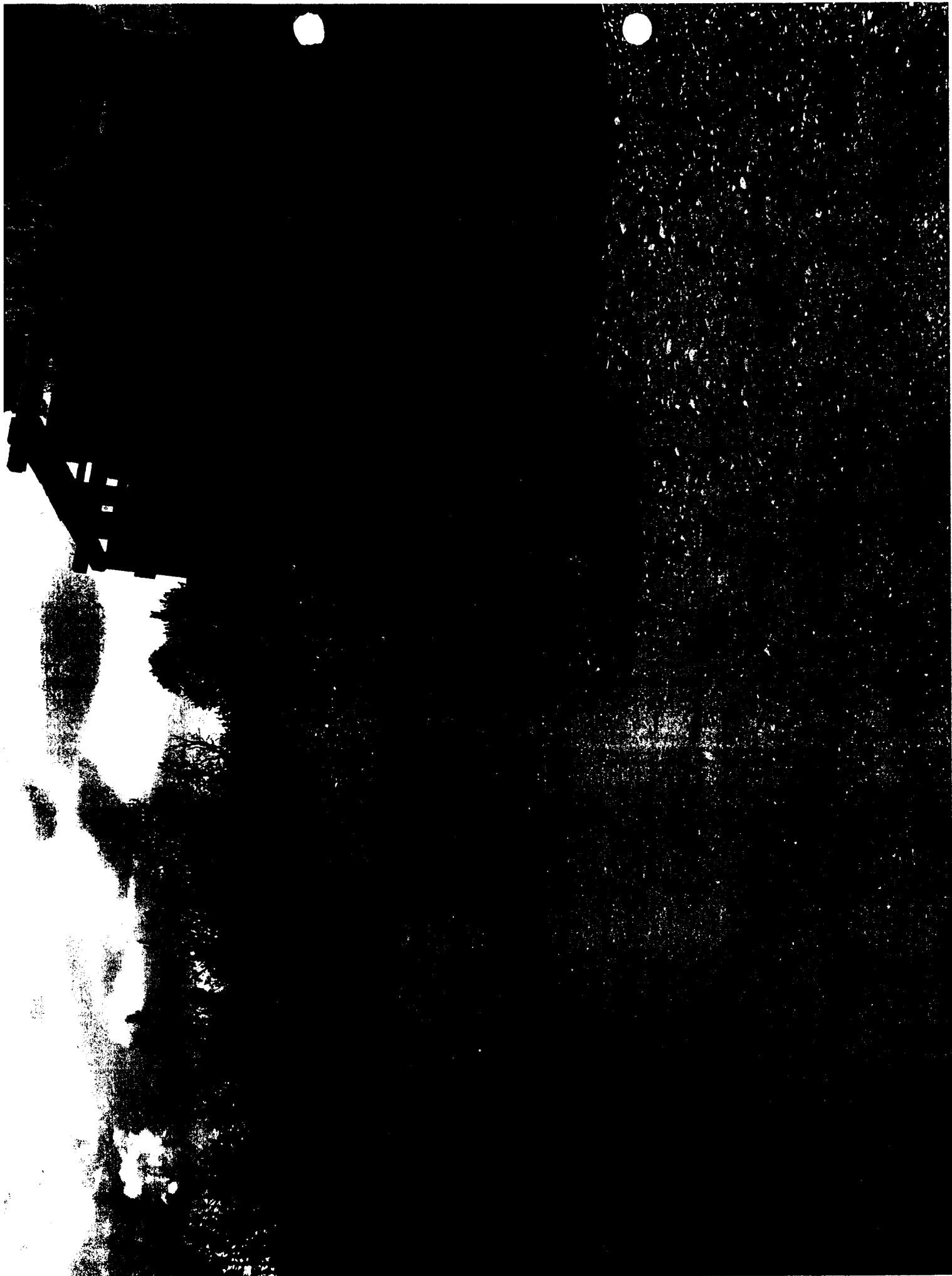
DIV. C-2, L.A. 44-111-100

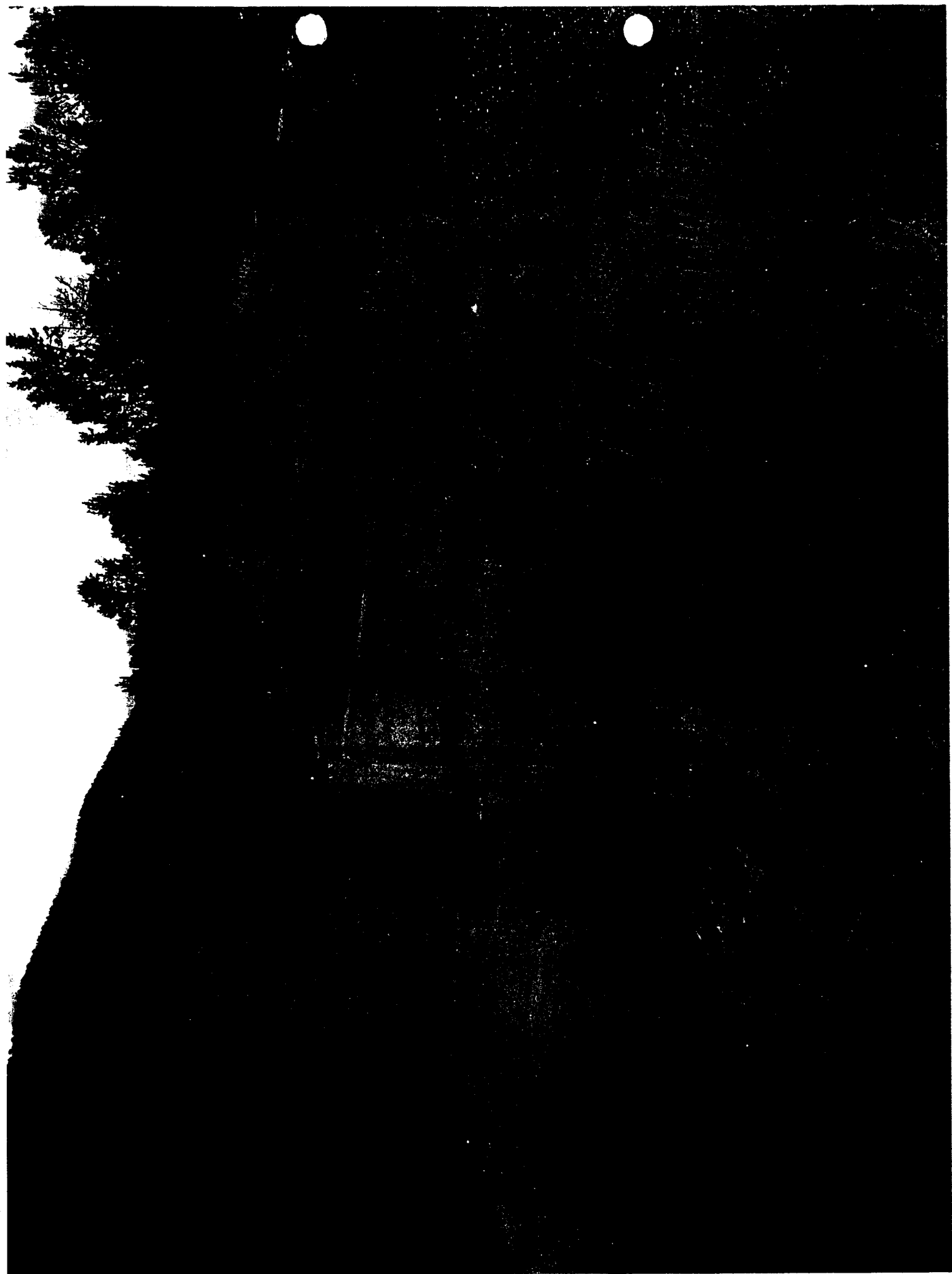












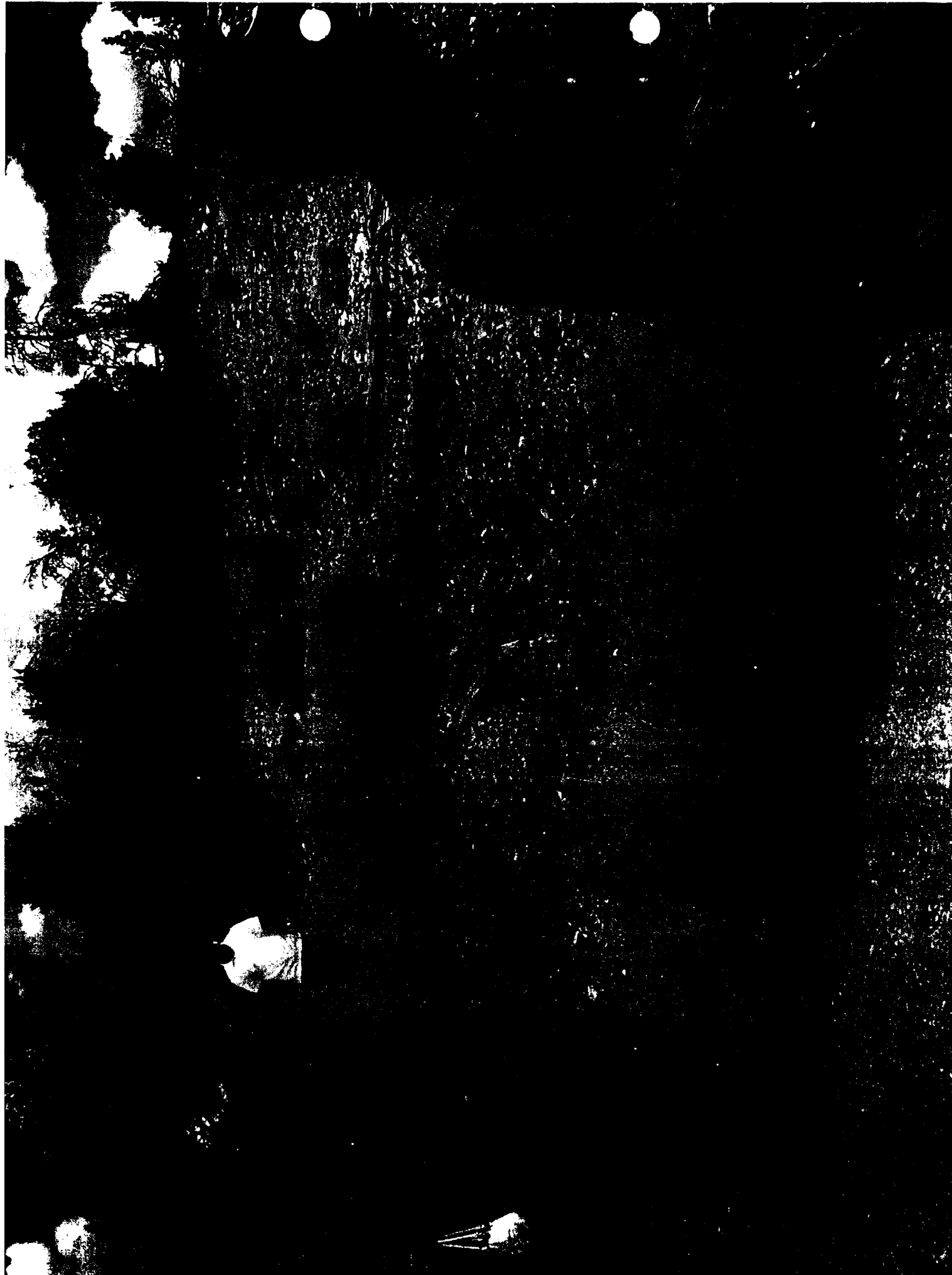




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JON M. HUNTSMAN, JR.  
*Governor*  
GARY R. HERBERT  
*Lieutenant Governor*

**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

MICHAEL R. STYLER      JOHN R. BAZA  
*Executive Director*      *Division Director*

November 3, 2008

Zions Bank  
279 West State Street  
Hurricane, UT 84737

Attention: R. Craig DeMille, Branch Manager; Phone No. 435-635-4692

Subject:      Reclamation Surety, Certificate of Deposit for JG Resources LLC  
                 ETNA Mine Site, S/021/0009  
                 Iron County, Utah, TLA Mineral Lease Number 48151

Certificate of Deposit no. 035-911769-2; Principal Amount \$16,500.

This letter describes the mutually agreed upon instructions of the below signed parties to Zions Bank ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the ETNA mine site ("Mine Site"), Iron County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$16,500 from the CD, together with other previously submitted bonds in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") and the Utah Trust Lands Administration ("TLA") upon demand in the event that the operator of the Mine Site is unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

**Ownership and Renewal:**

Ownership of the CD is retained by JG Resources LLC, a Utah limited liability company ("Owner"), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and TLA and is subject to the terms and conditions described in this agreement. Bank hereby acknowledges the pledge of



Page

Subject: Reclamation Surety, Certificate of Deposit for JG Resources LLC  
ETNA Mine Site, S/021/0009  
Iron County, Utah, TLA Mineral Lease Number 48151  
Certificate of Deposit no. 035-911769-2; Principal Amount \$16,500

the aforesaid CD to the Division and the TLA and agrees to record the information in the Bank's written and electronic records of book entry. Further, the Bank acknowledges and agrees that it shall hold the moneys represented by the CD as a custodian and agent for the Division and shall be liable to the Division for any and all losses to the principal amount of the aforesaid CD caused in any manner whatsoever during the terms of this agreement. The Division acts as agent for the TLA. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division. The Division may request CD information on an occasional basis. This letter grants approval by JG Resources LLC, for the Bank to provide CD information to the Division any time an inquiry is made via telephone, email, or letter.

**Redemption:**

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of Director of the Utah Division of Oil, Gas & Mining. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas and Mining. Owner agrees and irrevocably instructs Bank that neither the Owner, nor any other person claiming an ownership interest in the CD which is derived from the Owner, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owner's control, or if Owner does not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

**Release:**

The Bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owner, or its legal successors-in-interest. In the event of Bank cancellation/termination of the Certificate of Deposit, the Division may request a transfer or release of the certificate of deposit monies into a state managed cash account to assure or complete

Page

Subject:

Reclamation Surety, Certificate of Deposit for JG Resources LLC  
ETNA Mine Site, S/021/0009  
Iron County, Utah, TLA Mineral Lease Number 48151  
Certificate of Deposit no. 035-911769-2; Principal Amount \$16,500

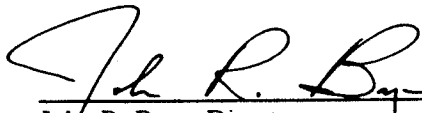
reclamation if the Operator does not replace the Certificate of Deposit within the ninety days of Bank cancellation/termination notice. If the Bank is under a forced cancellation/termination, the Bank agrees to transfer or release the CD funds to a state managed cash account at the Division's request.

**Accrued Interest:**

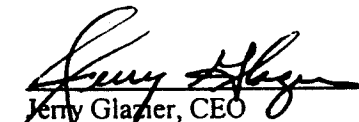
Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner as the Owner may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$16,500. All tax liabilities for accrued interest shall remain the sole responsibility of the Owner.

**Bank will not be held liable for any dispute between the parties.**


Agreed Upon By:

  
John R. Baza, Director  
Utah Division of Oil, Gas & Mining

Date: 11/6/08

  
Jerry Glazer, CEO  
JG Resources LLC  
Tax ID Number: 87-0636740

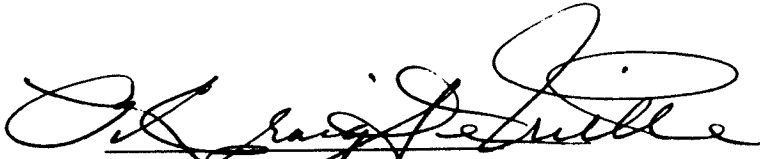
Date: 11/04/08

  
R. Craig DeMille, Branch Manager  
Zions Bank

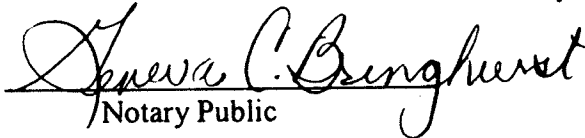
Date: 11/3/08

**AFFIDAVIT OF QUALIFICATION**  
**INSTITUTION (Bank or Agency)**  
--ooOOoo--

I, R. Craig DeMille, being first duly sworn under oath, depose and say that I am the Branch Manager of Zions Bank, Hurricane Branch; and that he is duly authorized to execute and deliver the foregoing obligations; and that said Zions Bank is authorized to execute the same and has complied in all respects with the laws of Utah in reference to commitments, undertakings and obligations herein.

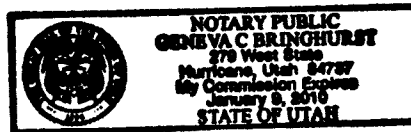
  
R. Craig DeMille, Branch Manager

Subscribed and sworn to before me this 3 day of November, 2008.

  
Notary Public

My Commission Expires:

01-09, 20 10.



Attest:

STATE OF UTAH                    )  
  ) ss:  
COUNTY OF WASHINGTON        )

## FACT SHEET

Prepared November 10, 2008

Commodity: Gold, Silver

Mine Name: ETNA Mine

Permit Number: M/021/0009

County: Iron

Disturbed Acres: 5.0

Operator Name: JG Resources LLC

Operator address: 155 West 100 South, Hurricane, UT 84737

Operator telephone: 1-435-635-2572

Operator fax: none

Operator email: jerryglazier@gmail.com

Contact: Jerry Glazier

Surety Type: Cash and CD

Held by (Bank/BLM): Zions Bank

Surety Amount: \$21,900.00

Surety Account Number: Zions escrow account # [REDACTED] \$5,400 cash)  
Zions escrow account # [REDACTED] (\$16,500 CD)

Escalation Year: 2011

Tax ID or Social Security (for cash only): [REDACTED]

Surface owner: SITLA

Mineral owner: SITLA

UTU number: n/a

Acres: 5.0

**APPROVED**  
**NOV 06 2008**  
**DIV. OIL GAS & MINING**

# ZIONS BANK

## TIME DEPOSIT CONFIRMATION

Ownership: JG RESOURCES LLC

Purchase Amount: \$16,500.00

Interest Rate: 3.540%

Annual Percentage Yield

Interest Payment Frequency: ☒ Monthly ☐ Quarterly ☐ Annually

Interest Payment Method: ☒ Add to Deposit ☐ Cash ☐ Transfer to Savings Account

Non-Renewable If Checked: ☐

Zions Bank Representative Signature:

*Shirley B. [Signature]*

This confirmation is not valid unless signed by a Zions Bank Representative. If Deposit is made to this account, please return this confirmation to the Zions Bank Representative.

STATE OF UTAH  
DEPARTMENT OF NATUAL RESOURCES  
DIVISION OF OIL, GAS AND MININGMODIFICATION OF ATTACHMENT A  
TO THE  
RECLAMATION CONTRACTName of Operator: JG Resources LLCPermit Number: M/021/0009Mine Name: ETNA MinePhone Number: 435-635-2572

Per the executed reclamation contract, the surety agreement for reclamation obligation is included as Attachment A to the reclamation contract as follows:

Check the boxes that apply to this form:

Surety: ☐ Decrease  
☒ Increase  
☐ Replacement

Reason: ☐ Amendment to NOI  
☐ Cancellation/ Termination of surety  
☐ Escalation  
☐ Partial Release of surety  
☒ Other  
Explain:

mine size increased from 1 acre to 5 acres

Surety Dollar Amount Associated With This Action: \$16,500Surety Aggregate Amount: \$21,900

Included in this modification (surety must be attached)

Instrument(s):

<input type="checkbox"/> Corporate Surety	<input type="checkbox"/> Rider
<input type="checkbox"/> LOC Letter of Credit	<input type="checkbox"/> Amendment
<input checked="" type="checkbox"/> CD Certificate of deposit	<input type="checkbox"/> Addendum
<input type="checkbox"/> Cash	<input type="checkbox"/> Other

Explain:

Zions Bank, Certificate of Deposit No. 035-911769-2, attached hereto

Other surety not affected by this modification will remain part of Attachment A and labeled as such.

This Modification will be effective as of the last date signed below

Jerry Glazier Jerry Glazier  
Authorized Officer Signature Printed

Manager-CEO  
Title

11/4/2008  
Date

John R. Baza  
Division Director John R. Baza  
Utah Division of Oil, Gas and Mining

11/6/08  
Date

Date: 2/16/07

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

MODIFICATION OF ATTACHMENT A  
TO THE  
RECLAMATION CONTRACT

Name of Operator: JG Resources, LLC.Permit Number: M/021/009Mine Name: Etna MinePhone Number: (435)  
635-2572

Per the executed reclamation contract, the surety agreement for reclamation obligation is included as Attachment A to the reclamation contract as follows:

Check the boxes that apply to this form:

Surety: ☐ Decrease  
☒ Increase  
☐ Replacement

Reason: ☐ Amendment to NOI  
☐ Cancellation/ Termination of surety  
☐ Escalation  
☐ Partial Release of surety  
☒ Other \$5400.00/acre - operator currently has  
Explain: \$5000.00 as reclamation surety.

Surety Dollar Amount Associated With This Action: \$400.00Surety Aggregate Amount: \$5400.00

Included in this modification (surety must be attached)

Instrument(s):

☐ Corporate Surety  
☐ LOC Letter of Credit  
☐ CD Certificate of deposit  
☒ Cash  
☐ Rider  
☐ Amendment  
☐ Addendum  
☐ Other  
Explain:

☒ APPROVED

Other surety not affected by this modification will remain part of Attachment A and labeled as such.

This Modification will be effective as of the last date signed below

[Signature]  
Authorized Officer

Member Manager  
Title

3/7/07  
Date

[Signature]  
Division Director  
Utah Division of Oil, Gas and Mining

RECEIVED  
MAR 19 2007

2/23/07  
Date

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

**RECEIVED**  
**JAN 16 2007**

Div. of Oil, Gas & Mining

---ooOoo---

**SMALL MINE RECLAMATION CONTRACT**



This Reclamation Contract (hereinafter referred to as "Contract") is entered into between **JG Resources, LLC** the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. **M0210009** which the Operator has filed with the Division and has been determined by the Division to be complete (Complete NOI) as required by the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act") and the regulations adopted pursuant to the Act; and

WHEREAS, Operator is obligated to reclaim the lands affected by the mining operations in accordance with the Act and the regulations, and is obligated to provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to promptly reclaim in accordance with the requirements of the Act and applicable regulations, as they may be amended, all of the lands affected by the mining operations conducted or to be conducted pursuant to a Complete Notice of Intention.
2. The Lands Affected by the mining operations and subject to the requirements of the Act and this Contract include:
  - A. All surface and subsurface areas affected or to be affected by the mining operations including but not limited to private on-site ways, roads, railroads; land excavations; drill sites and



workings; refuse banks or spoil piles; evaporation or settling ponds; stockpiles; leaching dumps; placer areas; tailings ponds or dumps; work, parking, storage, and waste discharge areas, structures, and facilities; and

- B. All mining disturbances regardless of discrepancies in the map and legal description, unless explicitly and clearly identified as EXCLUDED on maps, and legal descriptions included in the Complete NOI; provided lands may be excluded only if: (1) they were disturbed by mining operations that ceased prior to July 1, 1977; (2) the lands would be included but have been reclaimed in accordance with a complete notice or reclamation plan; or (3) the lands were disturbed by a prior operation for which there is no surety, no legally responsible entity or person, and which lands are not necessarily or incidentally intended to be affected by the mining operations as described in the Complete NOI.
- 3. The Operator shall be responsible for reclamation of all such Lands Affected regardless of errors or discrepancies in the maps or legal descriptions provided with the NOI which are intended to assist in determining the location of the mining operations, to describe the areas of disturbance, and to assist estimating the amount of surety required.
  - 4. The Operator prior to commencement of any mining operations and as a precondition to the rights under the Notice of Intention shall provide a surety in a form permitted by the Act and in an amount sufficient to assure that reclamation of the Lands Affected will be completed as required by the Act. The Surety shall remain in full force and effect according to its terms unless modified by the Division in writing. A copy of the agreement providing for the Surety for the reclamation obligations herein is included as **ATTACHMENT A** to this Contract.
  - 5. If the Surety expressly provides for cancellation or termination for non-renewal:
    - A. The Operator shall within 60 days following the Division's receipt of notice that the Surety will be terminated or cancelled, provide a replacement Surety sufficient in a form and amount, as required by the Act, to replace the cancelled surety; or
    - B. If the Operator fails to provide an acceptable replacement Surety within 60 days of notice of cancellation or termination, the Division may order the Operator to cease further mining activities, and without further notice proceed to draw upon letters of credit, to withdraw any amounts in certificates of deposit or cash and/or any other forms of surety, and to otherwise take such action as may be necessary to secure the rights of the Division to perfect its claim on the existing surety

for the purpose of fully satisfying all of the reclamation obligations incurred by the Operator prior to the date of termination, and the Division may thereafter require the Operator to begin immediate reclamation of the Lands Affected by the mining operations, and may, if necessary, proceed to take such further actions as may be required for the Division to forfeit the surety for the purpose of reclaiming the Lands Affected.

6. The Operator's liability under this Contract shall continue in full force and effect until the Division finds that the Operator has reclaimed the Lands Affected by mining operations in accordance with the Act and regulations, as amended. If the mining operations are modified or for any other reason vary from those described in the Complete Notice of Intention, the Operator shall immediately advise the Division, and the Notice of Intention shall be revised and the Surety amount shall be adjusted as necessary.
7. If reclamation of a substantial phase or segment of the Lands Affected by the mining operations is completed to the satisfaction of the Division, and the Division finds that such substantial phases or segments are severable from the remainder of the mining area, Operator may request the Division to find that Operator has reclaimed such area. If the Division makes such finding, Operator may make request to the Division for a reduction in the aggregate face amount of the Surety, and the Division may reduce the surety to an amount necessary to complete reclamation of the remaining mining operations as anticipated by the Complete Notice of Intention in accordance with the requirements of the Act and regulations, as amended.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the applicable rules.
9. Operator agrees to pay all legally determined public liability and property damage claims resulting from mining operations, to pay all permit fees, to maintain suitable records, to file all required reports, to permit reasonable inspections, and to fulfill all sundry reporting requirements applicable to the mine as required by the Act and implementing rules.
10. Operator agrees to indemnify and hold harmless the State, Board, and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
11. If Operator shall default in the performance of its obligations hereunder, Operator shall be liable for all damages resulting from the breach hereof including all costs, expenses, and reasonable attorney's fees incurred by the Division and/or the Board in the enforcement of this Contract.

12. Any breach of a material provision of this Contract by Operator may, at the discretion of the Division, in addition to other remedies available to it, result in an order by the Division requiring the Operator to cease mining operations, and may thereafter result in an Order, subject to an opportunity for notice and hearing before the Board, withdrawing and revoking the Notice of Intention, and requiring immediate reclamation by the Operator of the Lands Affected or forfeiture of the Surety.
13. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount that is required to comply with this Contract. Upon completion of the reclamation of all of the Lands Affected, any excess monies resulting from forfeiture of the Surety shall be returned to the rightful claimant.
14. The Operator shall notify the Division immediately of any changes in the Operator's registered agent, the Operator's address, form of business, name of business, significant changes in ownership, and other pertinent changes in the information required as part of the Notice of Intention. Notwithstanding this requirement, any changes to the Notice of Intention, and any errors, omissions, or failures to fully or accurately complete or update the information on the Notice of Intention, or the attached maps, shall not affect the validity of this Contract and the rights of the Division to enforce its terms.
15. If requested by the Division, the Operator shall execute addendums to this Contract to add or substitute parties, or to reflect changes in the Operator, Surety, and otherwise modify the Contract to reflect changes in the mining operations as requested by the Division. All modifications must be in writing and signed by the parties, and no verbal agreements, or modifications in any of the terms or conditions shall be enforceable.
16. This Contract shall be governed and construed in accordance with the laws of the State of Utah.

The signatory below represents that the Operator, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah, and that he/she is authorized to execute this Contract on behalf of the entity as Operator.

OPERATOR:

JG Resources, LLC. J.H.  
Jerry Glazier aka ~~American Comotoo Inc.~~  
Operator Name

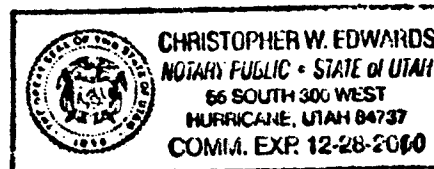
By Jerry Glazier  
Authorized Officer (Typed or Printed)  
Individual  
Authorized Officer - Position

Jerry Glazier 1/11/07  
Officer's Signature Date

STATE OF UTAH  
COUNTY OF Washington ss: )

On the 10 day of Jan, 20 07, Jerry Glazier  
personally appeared before me, who being by me duly sworn did say that  
he/she is an OWNER & Agent (owner, officer, director, partner, agent  
or other (specify)) of the Operator JG Resources, LLC and duly  
acknowledged that said instrument was signed on behalf of said Operator by  
authority of its bylaws, a resolution of its board of directors or as may otherwise  
be required to execute the same with full authority and to be bound hereby.

[Signature]  
Notary Public  
Residing at Hurricane, UT  
12-28-2010  
My Commission Expires:



DIVISION OF OIL, GAS AND MINING:

By John R. Baza  
John R. Baza, Director

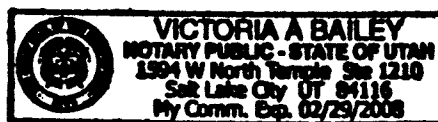
Date 1/18/07

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 18<sup>th</sup> day of January, 2007, John R. Baza  
personally appeared before me, who being duly sworn did say that he, the said  
John R. Baza is the Director of the Division of Oil, Gas and Mining,  
Department of Natural Resources, State of Utah, and he duly acknowledged to me that  
he executed the foregoing document by authority of law on behalf of the State of Utah.

Victoria A. Bailey  
Notary Public  
Residing at: Salt Lake City, UT

February 29, 2008  
My Commission Expires:





## FACT SHEET

**Commodity:** GOLD, SILVER

**Mine Name:** ETNA MINE

**County:** Iron

**Disturbed Acres:** five

**Operator Name:** Jerry Glazier aka JG Resources, L.L.C.

**Operator Address:** 155 West 100 South, Hurricane Utah 84737

**Operator Telephone:** (435) 635-2572

**Contact:** Jerry Glazier

**Operator e-mail:** [jerryglazier@gmail.com](mailto:jerryglazier@gmail.com)

**Reclamation surety amount has yet to be determined, based on a permit of 1-acre, the Division's standard surety amount is \$5,000.00 for the 1 acre of disturbance. Operator must modify permit identifying disturbance if more than 1 acre.**

**The Division has received a reclamation surety check in the amount of \$5,000.00 from SITLA. In order for these funds to receive Division approval, the operator must return the signed and notarized completed reclamation contract.**

**Surety:** Cash

**Bank Name:** Zions

**Surety Amount:** \$5,000.00

**Account number:** To be issued, attachment A

**Contact:** Beth Ericksen, DOGM, 801-538-5318 or [bethericksen@utah.gov](mailto:bethericksen@utah.gov)

**Social security number:** \_\_\_\_\_

**From:** William Stokes  
**To:** dglazier@kmclaw.com; Tom Munson  
**Date:** 11/5/2008 3:32 PM  
**Subject:** Re: Etna Mine S/021/0009

Tom: Dave Glazier has provided all material regarding the proposed Notice of Intent including copies of the documentation that pertains to the Reclamation Bond. DOGM's assessment of the reclamation bond satisfies the requirements of the School Trust Lands Administration.

>>> Tom Munson 11/5/2008 3:14 PM >>>

Hello William, The Division would like to approve with your concurrence an increase in reclamation bond for the Etna related to an increase in acreage. the bond amount will be increased to an aggregate amount \$21,900 for a total of five acres of disturbance.

Tom Munson  
801-538-5321  
[tommunson@utah.gov](mailto:tommunson@utah.gov)